

Statement of
The Associated General Contractors of America
to the
U.S. Army Corps of Engineers

For a public meeting on

“Economic and Environmental Principles and Guidelines for Water and
Related Land Resources Implementation Studies:
Initiation of Revision and Request for Suggested Changes”

June 5, 2008



The Associated General Contractors of America (AGC) is the largest and oldest national construction trade association in the United States. AGC represents more than 33,000 firms, including 7,000 of America's leading general contractors, and over 12,000 specialty-contracting firms. Over 13,000 service providers and suppliers are associated with AGC through a nationwide network of chapters. AGC contractors are engaged in the construction of the nation's commercial buildings, shopping centers, factories, warehouses, highways, bridges, tunnels, airports, waterworks facilities, waste treatment facilities, dams, water conservation projects, defense facilities, multi-family housing projects, site preparation/utilities installation for housing development, and more.

THE ASSOCIATED GENERAL CONTRACTORS OF AMERICA

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**Statement of the Associated General Contractors of America
U.S. Army Corps of Engineers
June 5, 2008**

**ECONOMIC AND ENVIRONMENTAL PRINCIPLES AND GUIDELINES FOR
WATER AND RELATED LAND RESOURCES IMPLEMENTATION STUDIES:
INITIATION OF REVISION AND REQUEST FOR SUGGESTED CHANGES -
SECTION 2031 OF PUBLIC LAW 110-114**

The Associated General Contractors of America (AGC) is pleased to offer the following comments for the record of June 5, 2008, regarding recommendations for the revision of the Economic and Environmental Principles and Guidelines for Water and Related Land Resources Implementation Studies, dated March 10, 1983.

AGC is the oldest and largest of the nationwide trade associations in the construction industry. It is a non-profit corporation founded in 1918 at the express request of President Woodrow Wilson, and it now represents more than 32,000 firms in nearly 100 chapters throughout the United States. Among the association's members are approximately 7,000 of the nation's leading general contractors, more than 12,000 specialty contractors, and more than 13,000 material suppliers and service providers to the construction industry. These firms engage in the construction of buildings, shopping centers, factories, industrial facilities, warehouses, highways, bridges, tunnels, airports, water works facilities, waste treatment facilities, dams, water conservation projects, defense facilities, multi-family housing projects, municipal utilities and other improvements to real property. Many of these firms regularly work for the U.S. Army Corps of Engineers, the Naval Facilities Engineering Command, the General Services Administration and other federal departments and agencies. Most are small and closely held businesses.

A New Strategy

A new strategy and approach for water resources planning and development is imperative. Water resources planning must support sustainable development and recognize the multiple objectives of public safety, environmental quality, economic development, and social well-being. We can no longer afford to focus on the narrow objective of National Economic Development.

Water Resources Planning Objectives

The 1983 Principles and Guidelines directed the U.S. Army Corps of Engineers (USACE) to formulate and recommend water resources plans in response to a single "Federal" objective – maximizing net national economic development benefits. With a few rare exceptions, this approach has proved to hamstring efforts to encourage water resources planning to meet its maximum potential. Specifying a "Federal," not "National" objective suggests that the Federal government is pursuing its own well-being rather than the welfare of the "nation." The annual Federal budget process confirms time and time again that the interest of the Federal government is driven by how much it can save in spending versus what it invests in the development of our Nation's water resources infrastructure. This short-sighted view of the past must recognize the

true long-term economic benefits of this program and simultaneously give way to a more comprehensive, “National” framework.

In order to reflect the intent of the Water Resources Development Act of 2007 and recent USACE practice aimed at sustainable development, the revised Principles and Guidelines should return to the emphasis of multiple National objectives that include public safety, environmental quality, economic development, collaborative planning and implementation, and other social effects.

- **Public Safety.** Above all considerations, the revision of the Principles and Guidelines should include, of paramount importance, a National public safety standard. The devastation caused by Hurricanes Katrina and Rita underscore the need for water resources planning to have a National objective and calls for the development of a National public safety standard to protect human life.
- **Environmental Quality.** Our Nation’s quality of life is highly dependent on enhancing the environment. National water resources planning objectives must include restoration of aquatic ecologies.
- **Economic Development.** The development of our Nation’s water resources fosters economic development, facilitates trade and commerce, aids international competitiveness, stimulates employment, provides water recreation opportunities, enhances agricultural and industrial productivity and augments our National defense. Historically, such programs have had numerous economic benefits. Flood damage reduction projects alone have prevented an estimated \$706 billion in damages - an eight-to-one return on the Federal government's investment; and Operations and Maintenance work provides an average of \$14.10 return for every dollar invested. In the Mississippi Valley and Tributary System, more than \$24 in damages is saved for each dollar spent. Key decision makers must consider the positive contributions water resources development contribute within the context of a national economic development objective.
- **Collaborative Planning and Implementation.** The revised Principles and Guidelines must emphasize that there must be a stronger role for non-Federal partners in planning and decision-making. Water resources planning must fashion optimal watershed solutions that select elements from a full range of best management practices including those of other Federal agencies, non-Federal governments, and non-governmental organizations. Different perspectives and a more comprehensive discussion and evaluation of complex problems, interrelated concerns, and potential projects are more likely to occur with a collaborative approach.
- **Social Effects.** Our Nation has proved time and again that we are stronger in times of tragedy. We pull together to provide assistance to those less fortunate than ourselves. The tragedy of Hurricanes Katrina and Rita exposed both a social and economic divide and demonstrated the effects of such devastation on the less fortunate. The experience of the Gulf Coast highlights that the national economic development objective is a model that does not take into serious consideration the protection of low income households. It is imperative

that the planning process adjust this model and include social effects as a primary consideration.

Concluding Remarks

AGC hopes the revision recognizes the need to be flexible, timely and open to innovation in the market place of water resource planning. The effort should be state-of-the-art with regard to new and innovative thinking.

We appreciate the effort by USACE to reach out to all interested parties in the development of the new Principles and Guidelines and we are willing and committed to working with USACE to provide our expertise to facilitate a successful conclusion to this effort.

Thank you for considering our thoughts on this critical component of the nation's water development program.